Human Resources and Skills Development Canada

2013–14

Report on Plans and Priorities

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Message from the Minister of Human Resources and Skills Development

I am pleased to present to Parliament the 2013–14 Report on Plans and Priorities, which outlines the priorities of Human Resources and Skills Development (HRSD) for the next fiscal year.

The Department is responsible for a range of programs and services that support Canadians throughout their lives. Through our policies, programs and service offerings, HRSD is making Canada more competitive and helping Canadians make choices to improve their quality of life.

Our government's top priorities remain job creation and economic growth, and we have implemented several initiatives to strengthen Canada's labour market. However, we are facing skills and labour shortages in many regions and sectors of the economy, as well as demographic changes, which threaten our future success.

HRSD's key challenge will be to address skills shortages and mismatches by helping Canadians get the training and information they need to take advantage of labour market opportunities. We will continue to work with the provinces and territories to promote education, help youth make good career decisions and support vulnerable groups.

As outlined in this Report on Plans and Priorities, HRSD will focus on achieving better results for Canadians by transforming and modernizing its service delivery, making more online services available, focusing on its core business priorities, and increasing the use of technology to improve operational efficiency. We will also focus on enhancing the protection of privacy and improving the security of the personal information of Canadians, given that our department manages vast amounts of personal information on their behalf and it is fundamental to protect it.

I firmly believe the priorities we have identified will help us to build Canada's long-term prosperity.

The Honourable Diane Finley, P.C., M.P.
Minister of Human Resources and Skills Development

Message from the Minister of Labour

Canada's economic and social realities are changing and so are the expectations of our Canadian workers and employers. The Labour Program recognizes the need to adjust to these changing realities; in doing so, we are changing how we do business.

In reviewing and renewing our policies and programs, we are taking a more proactive approach to addressing labour issues. By increasing proactive measures in occupational health and safety and continuing to educate employees and employers, we will help reduce and prevent workplace accidents and injuries.

Prevention is vital in our business. Through our preventive mediation practices, we can identify issues early on and possibly alleviate labour disputes entirely, while continuing to support the collective bargaining process.

Technology is at the heart of the modern workplace. By modernizing our business processes and tools and making better use of technology, we become more efficient and effective. To that end, we are reducing red tape and the administrative burden for businesses. We are improving the accuracy of data received and shortening reporting times, and, by better collaborating with stakeholders and employers, we are facilitating increased overall compliance.

The Labour Program is committed to supporting Canada's interests and fundamental values abroad. We will advance the Government's trade agenda through the negotiation and implementation of labour cooperation agreements that ensure a level playing field for Canadian businesses while creating good, well-paying jobs for Canadian workers.

We are working to keep Canada's labour force strong, healthy and competitive in workplaces that are fair and safe. The Government's top priority continues to be jobs, growth and prosperity and the Labour Program is supporting those priorities every step of the way.

The Honourable Lisa Raitt, P.C., M.P.
Minister of Labour

Section I: Organizational Overview

Raison d'être

The mission of Human Resources and Skills Development Canada (HRSDC) is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians' quality of life. The Department delivers a range of programs and services that affect Canadians throughout their lives through three business lines: programs that support human resources and skills development, the Labour Program and Service Canada.

Responsibilities

To fulfill its mission, the Department is responsible for:

- supporting a flexible, national labour market;
- increasing participation in the labour force;
- removing barriers to post-secondary education attainment and skills development;
- overseeing federal labour responsibilities;
- providing income support to seniors, families with children and Employment Insurance beneficiaries; and
- delivering Government of Canada programs and services on behalf of other departments and agencies.

Included in these core roles are responsibilities for the design and delivery of some of the Government of Canada's most well-known statutory programs and services, including:

- Old Age Security;
- the Canada Pension Plan;
- Employment Insurance;
- Canada Student Loans and Grants;
- the Canada Education Savings Program;
- the National Child Benefit; and
- the Universal Child Care Benefit.

These direct benefits to Canadians are part of Canada's social safety net and represent more than 95 percent of the Department's expenditures.

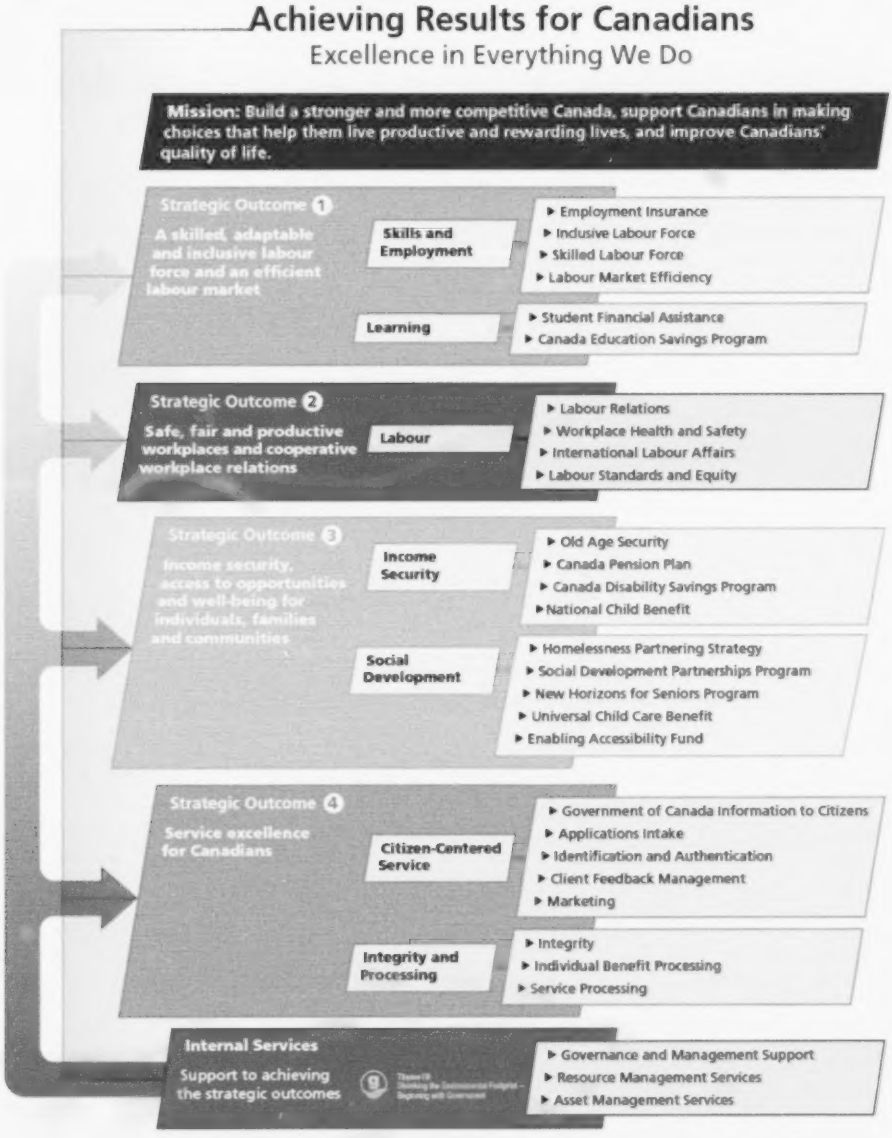
The Labour Program is responsible for overseeing federal labour responsibilities, including facilitating compliance with labour laws, occupational health and safety, and labour standards, as well as assisting trade unions and employers in the negotiation of collective agreements and their renewal in federally regulated workplaces. The Labour Program also represents Canada in international labour organizations and negotiates and implements labour provisions in the context of trade liberalization initiatives.

Through Service Canada, the Department helps Canadians access its programs—as well as other Government of Canada programs and services—at more than 600 points of service across the country. In addition to in-person services, the organization serves the needs of Canadians online at www.servicecanada.gc.ca and by telephone through 1 800 O-Canada and its network of program-based call centres.

Finally, through grants and contributions, the Department provides funding to other orders of government and organizations such as the voluntary and private sectors, educators and community organizations to support projects that meet the labour market and social development needs of Canadians.

Strategic Outcomes and Program Alignment Architecture

The Program Alignment Architecture depicts programs offered by HRSDC and the strategic outcomes that the programs are designed to achieve for Canadians. It also includes programs for services that are internal to the Department and are important in supporting the achievement of HRSDC's four strategic outcomes.


Achieving Results for Canadians
Excellence in Everything We Do
Mission: Build a stronger and more competitive Canada, support Canadians in making choices that help them live productive and rewarding lives, and improve Canadians' quality of life.
Strategic Outcome 1
A skilled, adaptable and inclusive labour force and an efficient labour market
Skills and Employment
Employment Insurance
Inclusive Labour Force
Skilled Labour Force
Labour Market Efficiency
Learning
Student Financial Assistance
Canada Education Savings Program
Strategic Outcome 2
Safe, fair and productive workplaces and cooperative workplace relations
Labour
Labour Relations
Workplace Health and Safety
International Labour Affairs
Labour Standards and Equity
Strategic Outcome 3
Income security, access to opportunities and well-being for individuals, families and communities
Income Security
Old Age Security
Canada Pension Plan
Canada Disability Savings Program
National Child Benefit
Social Development
Homelessness Partnering Strategy
Social Development Partnerships Program
New Horizons for Seniors Program
Universal Child Care Benefit
Enabling Accessibility Fund
Strategic Outcome 4
Service excellence for Canadians
Citizen-Centered Service
Government of Canada Information to Citizens
Applications Intake
Identification and Authentication
Client Feedback Management
Marketing
Integrity and Processing
Integrity
Individual Benefit Processing
Service Processing
Internal Services
Support to achieving the strategic outcomes
Governance and Management Support
Resource Management Services
Asset Management Services

The full Program Alignment Architecture is available at http://www.hrsdc.gc.ca/eng/publications/paa/index.shtml.

Organizational Priorities

As a large organization with a broad and diverse mandate, HRSDC continually adapts to an ever-changing environment. Demographic changes in Canadian society, the effect of changing economic conditions on social and economic opportunities for Canadians and rising expectations for service are accompanied by the need to contain costs and contribute to the Government of Canada's plan to return to balanced budgets.

During the next three years, HRSDC will continue to evolve to achieve better results for Canadians while safeguarding taxpayer dollars. The Department's business transformation and modernization initiatives will help the Department to reduce costs, enhance program integrity and improve service. HRSDC will also be making improvements to policies and programs by updating program design and implementing new service delivery upgrades to meet the changing needs of Canadians. Finally, the Department is working to build a high-performing and adaptable organization by improving its management practices and its enabling infrastructure so that it can continue to meet Canadians' needs in the future.

Priority	Type	Strategic Outcomes
Business Transformation and Modernization of Core Business	Ongoing	**Strategic Outcome 1** A skilled, adaptable and inclusive labour force and an efficient labour market **Strategic Outcome 2** Safe, fair and productive workplaces and cooperative workplace relations **Strategic Outcome 3** Income security, access to opportunities and well-being for individuals, families and communities **Strategic Outcome 4** Service excellence for Canadians

Description

Why is this a priority?

More than ever before, Canadians expect government to deliver high-quality services that are timely, secure and accessible. In response to demographic changes within Canada's population that will result in increases to the Department's workload, the changing service expectations of citizens as well as the need to make service delivery more affordable, the Department continues to transform its service delivery, including greater use of technology to improve operational efficiency, simplify service delivery and make more online services available.

Service delivery business transformation is taking place across HRSDC: in Service Canada's delivery of Employment Insurance, Old Age Security and the Canada Pension Plan and the delivery of other services on behalf of other departments. Service delivery transformation will also include increasing the number of educational institutions using the Electronic Confirmation of Enrolment Portal in support of the Canada Student Loans and Grants.

Service improvements are designed to provide citizens with better ways to deal with government and increase resolution of their enquiries at first contact, and to do so in the most efficient manner possible. Front-line services will be enhanced by developing a multi-year business plan for My Service Canada Account and expanding online services and self-service options. This work also includes continuing to provide responsive service through 1 800 O-Canada. Work also continues with other departments on enhancing citizen access to service through Service Canada. The Department's transformation of its service delivery will also address citizens' expectations for a transparent and responsive government that includes effective and efficient mechanisms of redress. The new Social Security Tribunal will continue to provide a fair, credible and accessible appeals process for Canadians.

Advances in technology are expected to provide opportunities for service delivery improvements, but these opportunities will also bring challenges in the form of threats to privacy and identity theft. Privacy is a primary concern for HRSDC given the Department's vast personal information holdings. This personal information is critical to the development and delivery of programs and services within the Department and with its partners. Challenges to the maintenance of the security of this information will be addressed through strengthening security provisions and ensuring a safe identity management system.

The Government is committed to maintaining strong, productive, healthy and competitive workplaces. In support of this commitment to promote safe, fair and productive workplaces within the federal jurisdiction, the Labour Program will continue to modernize its policies, programs and business practices.

Plans for meeting the priority

- Continue to implement the Employment Insurance automation agenda
- Continue to identify and implement service improvements for the Canada Pension Plan, including Canada Pension Plan Disability
- Continue to implement the Old Age Security/Guaranteed Income Supplement service improvement agenda
- Improve the Service Canada website user experience
- Modernize call centre operations, increase options for self-service, make more online transactions available and develop a multi-year business plan for My Service Canada Account
- Complete the transition to the new Social Security Tribunal
- Continue to modernize grants and contributions program service delivery by eliminating administrative burden, streamlining business processes, automating transactions and expanding online services
- Expand the reach of the Electronic Confirmation of Enrolment Portal to more Canada Student Loans and Grants students and educational institutions
- Facilitate compliance through the Labour Program's legislative and regulatory frameworks
- Reduce red tape and administrative burden for small businesses
- Strengthen identity management
- Modernize privacy processes and policies and strengthen privacy training and awareness

Priority	Type	Strategic Outcomes
Improving Policies and Programs	Continuing from previous year	**Strategic Outcome 1** A skilled, adaptable and inclusive labour force and an efficient labour market **Strategic Outcome 2** Safe, fair and productive workplaces and cooperative workplace relations **Strategic Outcome 3** Income security, access to opportunities and well-being for individuals, families and communities

Description

Why is this a priority?

Canada's economic environment is characterized by an increasing demand for skilled workers in certain occupations and sectors co-existing with higher rates of unemployment in others. The Government of Canada has responded to this challenge through the introduction of improvements to its suite of labour market programs, including the Employment Insurance program. For 2013–14, HRSDC will continue with the implementation of the Connecting Canadians with Available Jobs initiative and other measures.

The implementation of many of these program improvements will involve close collaboration with the provinces and territories and other partners. Specifically, HRSDC will be working with the provinces and territories on projects that improve linkages between income support (Employment Insurance Part I) and active employment measures (Employment Insurance Part II) programming to support Canadians to more quickly connect to job opportunities, as well as engaging in discussions on the future of labour market programming for persons with disabilities.

Supporting the acquisition of labour market skills that are aligned with the current and future needs of employers is a priority for HRSDC. The Department will continue with initiatives to link youth with high-demand labour sectors and will work to prepare Aboriginal people, including youth, with the skills needed for the labour market. Ensuring the availability of relevant labour market information is crucial to assisting Canadian workers and youth with their job and career choices. The Department will enhance labour market information through such tools as the Working in Canada website as well as by gathering intelligence on sector and occupational skills shortages. Given the high demand for skilled workers in the trades, the Department will encourage the acquisition of skills in this area. HRSDC will also continue to support the recognition of foreign credentials, work to remove barriers to interprovincial labour mobility and, with its partners, enhance linkages between employer demand for skilled workers and the immigration program.

New models for program delivery, such as partnering with for-profit and not-for-profit enterprises to obtain new forms of investment and support for projects with social benefit, and new forms of agreement, such as those that tie receipt of funding to the achievement of measurable results, are increasingly being cited as viable ways to achieve positive social outcomes. Alternative delivery models offer the potential for leveraging community assets to achieve a desired public good. The Department is committed to exploring the potential for incorporating new mechanisms over the coming years.

Canadian workplaces need to be capable of adapting to a greater variety of issues in order to remain open, inclusive and productive. The Labour Program is committed to carrying out a number of activities in order to further enhance its program and service delivery.

Plans for meeting the priority

- Continue to improve the efficiency, fairness and responsiveness of the Employment Insurance program
- Collaborate with the provinces and territories and other partners on approaches to enhance the labour market skills acquisition of Canadian workers, including those facing barriers to labour market participation
- Encourage Canadians to pursue opportunities in high-demand sectors
- Pursue the Social Partnerships Agenda by working with the not-for-profit sector and private-sector companies to develop new approaches to resolving social challenges through social partnerships and social finance instruments
- Continue to review and renew the Labour Program's policies and programs
- Expand workplace prevention and awareness initiatives
- Continue to contribute to the advancement of the Government's international trade agenda through the negotiation and implementation of labour co-operation agreements

Priority	Type	Program
Building a High-Performing Organization	New	Internal Services (Activities supporting all strategic outcomes)

Description

Why is this a priority?

Budget 2012 demonstrated the Government of Canada's continued focus on improving the efficiency and effectiveness of government operations. Reducing the cost of government operations, including internal enabling service operations, is one aspect of this focus. HRSDC is committed to strengthening and streamlining its internal services to ensure the Department can continue to deliver on its mandate. The Department's Enabling Services Renewal Program is a multi-year transformational program that will modernize the internal service delivery of HRSDC's enabling service branches: the Human Resources Services Branch; the Chief Financial Officer Branch; and the Innovation, Information and Technology Branch.

Given the aging of the Department's workforce and the continued emphasis on efficiency, building healthy and enabling workplaces and maintaining a productive and skilled workforce will be critical to the Department's success in the coming years. The development of the Department's people management strategy will be grounded in the performance of the organization and how employees contribute to it.

Building a high-performance organization will enable HRSDC to more effectively and efficiently achieve its strategic objectives. The Department is implementing a more consistent and comprehensive approach to performance management to better align its activities with priorities, and is strengthening the integration of financial, human resources and business planning processes. The modernization of internal services, by eliminating aging technology and increasing the use of electronic solutions, will also reduce the duplication of work and improve the quality of internal processes.

Plans for meeting the priority

- Continue with the implementation of an integrated, client-centred "click, call, consult" service delivery model as part of Enabling Services Renewal Program through implementation of two new Enterprise Resource Planning systems: PeopleSoft and Systems, Applications and Products (SAP)
- Develop a new three-year integrated people management strategy
- Strengthen and integrate financial management, human resources and business planning and practices
- Modernize recordkeeping functions
- Integrate information management across the Department
- Modernize information technology, migrating older mainframe systems to a newer "open systems" environment
- Improve performance management and employee engagement
- Improve succession planning and knowledge transfer
- Provide employees with the right tools to support their effectiveness

Risk Analysis

Risk management is an essential part of the Department's planning activities and helps ensure achievement of desired objectives. Departmental risks discussed in this section are the result of departmental risk self-assessment exercises that identify those risks which are of a significant nature, upon which senior management should focus significant attention during the year. The risks included in this section will be an ongoing subject in senior management committee meetings throughout the year to ensure risks are being sufficiently managed. These discussions will also be used to identify any emerging risks that did not exist during the initial discussions. Work at all levels of the organization is ongoing to ensure these senior management discussions are informed with the most complete information available to assist with decision-making and risk management.

The Department has identified the following corporate risks and mitigation strategies for 2013–14 related to the achievement of its priorities:

Transformation

In 2013–14, the Department will continue to monitor risks associated with the implementation of the change agenda and their possible impact on the implementation of new initiatives, core programs and service standards. These risks are driven by three main factors: the scope and complexity of changes; the impact of change on the Department's employees; and, most importantly, the cumulative risk of having such a high number of transformation activities being undertaken concurrently.

HRSDC will continue to rely on its existing mitigation and monitoring strategies, including enhanced monitoring by senior-level committees and through the continued implementation of the Information Technology Services Model, Investment Plan, Workforce Management Strategy and National Learning Policy to identify and react to any escalating risks in a timely fashion.

As it implements the Enabling Services Renewal Program, the Department's Human Resources, Finance and Innovation, Information and Technology branches will continue to modernize to more effectively manage these risks. In the meantime, implementation of branch change management plans and other human resources and financial management tools will help ensure that the Department is able to maintain core services while implementing its change agenda.

Information Technology

HRSDC is an information technology-intensive organization, relying extensively on technology to deliver services to Canadians. The Department's information technology infrastructure and applications are aging and are being replaced, but the scope and complexity of these changes

creates the risk that the Department will not be able to effectively use available resources. This could manifest as the Department strives to both implement major technological transformation and modernization, while at the same time deliver on day-to-day, ongoing business requirements.

To mitigate these information technology risks, the Department will continue to modernize its technology by identifying at-risk applications and opportunities to replace custom development with commercial off-the-shelf software. In 2013–14 the Department will implement new technologies that will increase the ability to monitor and control its work environment as well as reduce potential security risks, consistent with a new information technology security direction. It will also plan appropriately for ongoing maintenance of its systems and align with government-wide standards and services, such as the use of Shared Services Canada. This will include replacing aging, custom-built finance and human resources systems with modern commercial software to reduce system maintenance costs and increase the quality of information available to support informed decision-making by managers. Additionally, various governance structures are in place to monitor and manage all major resource expenditures (including information technology-related investments) at the organizational level. More specifically, the Major Projects Investment Board and its process have resulted in new project authorities for the Department in recognition of its organizational project management capacity.

Human Resources

HRSDC is implementing a significant change agenda, which will continue to have an impact on productivity and the work environment. Two facets to this risk are emerging. The first, maintaining a healthy and enabling workplace where employees are engaged and productive, remains a priority at HRSDC and is critical to the Department's ability to deliver services to Canadians. Secondly, having the right people with the right skills in the right place is a concern as the Department adjusts to new roles it will have to play and the structural changes that go along with them. The required "skill shift" poses a risk due to impending retirements and departures, with a potentially heavy loss of corporate memory and historical knowledge.

HRSDC is developing a new three-year integrated people management strategy. This strategy touches on building healthy and enabling workplaces, developing a productive and skilled workforce, providing appropriate internal services as well as strategies for addressing workforce adjustment. Implementation of this strategy along with careful monitoring of organizational health and well-being and responding to concerns as they arise will help the Department mitigate these risks.

Privacy and Information Management

The proliferation of new mobile technologies and portable storage devices increase the risk of document and data loss, including the loss of personal information and other sensitive information.

This risk is further compounded by evolving document management needs and demand for information management solutions. Retirements and departures may also affect the ability of employees to efficiently access or find stored documents within the Department's networks, or effectively manage the retention and disposition of existing records. As a result, the Department is at risk of inadvertently exposing sensitive information to loss or inappropriate disclosure. The loss of portable storage devices containing personal information has occurred and is unacceptable, resulting in potential harm to clients and employees and significant damage to the Department's reputation.

To reduce the risk of loss or inappropriate disclosure of information, including personal information, and to mitigate the risks posed by the loss of portable USB storage devices, the Department has established a new information technology security direction and a new protocol to require the encryption of all portable USB storage devices and the prohibition of use of portable hard drives. These will be supported by ongoing risk assessments.

HRSDC will review Departmental security practices to ensure that sensitive information is appropriately protected and will implement a data loss prevention framework that will identify where data are stored, monitor data use and protect against data loss. All employees will be required to participate in mandatory training on the proper handling of sensitive information. In addition, a broader information management strategy, being rolled out over the next few years, will ensure information records of business value are classified and stored properly; eliminate records of no value including cleaning up network file stores, shared drives, SharePoint site and email archives; and improve information sharing, access and retrieval, and information architecture.

Financial Risk

As part of its contribution to ensure the Government of Canada returns to a balanced budget by 2015, the Department continues to transform and implement increased efficiency targets. This brings with it the risk that desired efficiency gains might not be achieved on time. In addition, there is a risk that, given reduced budget flexibility, the Department will not be able to realign funds adequately to ensure that high-priority and ongoing departmental objectives are met in time.

To mitigate these risks, the Department continues to explore and implement stronger linkages between planning and priority-setting, and resource exercises and related financial decision-making. In addition, increased monitoring and reporting on various transformation initiatives will be undertaken to provide early indicators of areas requiring attention. This will make certain that public resources are used efficiently and effectively, and ensure that they are targeted to the highest level of departmental priorities to meet objectives.

Planning Summary

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14*	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
52,208.0	110,293.8	114,355.2	119,404.7

* Excludes the Non-Budgetary loans disbursed under the Canada Student Loans Program. Employment Insurance and Canada Pension Plan benefits are excluded from the Department's Main Estimates but included in planned spending.

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
20,532	18,516	18,239

Planning Summary Tables for Programs by Strategic Outcome ($ millions)

Strategic Outcome	Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16	Alignment to Government of Canada Outcomes
Strategic Outcome 1: A skilled, adaptable and inclusive labour force and an efficient labour market	Program 1: Skills and Employment	25,034.7	19,603.5	20,045.6	20,656.1	20,436.9	20,733.6	Income security and employment for Canadians (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
	Program 2: Learning	2,921.1	3,184.3	3,166.8	2,899.2	2,840.2	2,773.8	An innovative and knowledge-based economy (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
Sub-total		**27,955.8**	**22,787.8**	**23,212.4**	**23,555.3**	**23,277.1**	**23,507.4**	

The decrease of more than $5 billion from 2010–11 to 2011–12 is mainly due to a decrease of $2.9 billion resulting from a statutory payment associated with the 2010–11 temporary Employment Insurance benefit enhancement measures. It is also the result of a decrease of $1.7 billion in Employment Insurance benefits mainly due to a change in the unemployment rate from 7.9 percent in 2010–11 to 7.4 percent in 2011–12, and to a decrease of $0.5 billion in Employment Insurance Part II.

Strategic Outcome	Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending			Alignment to Government of Canada Outcomes
					2013–14	2014–15	2015–16	
Strategic Outcome 2: Safe, fair and productive workplaces and cooperative workplace relations	Labour	262.8	270.0	288.2	271.2	265.6	265.9	A fair and secure marketplace (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
Sub-total		**262.8**	**270.0**	**288.2**	**271.2**	**265.6**	**265.9**	

There are no significant variances. The annual planned spending decreases are related to planned streamlining of service delivery and a focus on the program's core mandate and high-priority areas.

Strategic Outcome	Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending			Alignment to Government of Canada Outcomes
					2013–14	2014–15	2015–16	
Strategic Outcome 3: Income security, access to opportunities and well-being for individuals, families and communities	Program 1: Income Security	67,430.8	71,613.9	76,398.0	80,680.5	85,278.4	90,084.1	Income security and employment for Canadians (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
	Program 2: Social Develop-ment	2,917.3	2,865.6	3,051.5	3,030.1	2,906.9	2,932.9	A diverse society that promotes linguistic duality and social inclusion (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
Sub-total		**70,348.1**	**74,479.5**	**79,449.5**	**83,710.6**	**88,185.3**	**93,017.0**	

Annual increases are mainly due to increased Old Age Security and Canada Pension Plan benefits associated with the aging population and changes in average monthly benefits. Old Age Security benefits are planned at $47.5 billion in 2015–16 ($34.7 billion in 2009–10). Fifty-eight percent of this increase, or approximately $7.5 billion, relates to the aging population and 42 percent, or

approximately $5.3 billion, is associated with the increase in average monthly benefits. Canada Pension Plan benefits are planned at $42.2 billion in 2015–16 ($30.4 billion in 2009–10). Of this increase, 60 percent, or approximately $7.1 billion, can be associated to the aging population and 40 percent, or approximately $4.7 billion, is associated with the increase in average monthly benefits.

Strategic Outcome	Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending			Alignment to Government of Canada Outcomes
					2013–14	2014–15	2015–16	
Strategic Outcome 4: Service excellence for Canadians	Program 1: Citizen-Centred Service	520.9	481.6	320.4	284.5	276.7	276.7	A transparent, accountable and responsive federal government (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
	Program 2: Integrity and Processing	748.6	786.5	814.9	697.9	649.9	637.5	A transparent, accountable and responsive federal government (www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx)
Sub-total		**1,269.5**	**1,268.1**	**1,135.3**	**982.4**	**926.6**	**914.2**	

The annual decreases are mainly attributable to the program measures related to Budget 2011 and Budget 2012. These measures include: reductions in administrative overhead, including reductions related to the organizational structure of national headquarters; improved service delivery efficiencies that make it easier for Canadians to deal with government while improving operational and program efficiencies; simplification of program administration to better align with government priorities; and elimination of administrative duplication in appeals and tribunal services by replacing the current administrative tribunal system for major federal social security programs with a single-window decision body. The new Social Security Tribunal will continue to provide a fair, fast and accessible process for Canadians while eliminating duplication and overlap in administrative processes. These are administrative modernization efforts and Canadians will continue to receive the same level of front-line service in their local communities.

Planning Summary Table for Internal Services ($ millions)

Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending		
				2013–14	2014–15	2015–16
Internal Services	925.3	959.5	903.7	874.6	805.8	802.2
Sub-total	**925.3**	**959.5**	**903.7**	**874.6**	**805.8**	**802.2**

The decreases can be mainly explained by: reductions in administrative overhead, including costs related to organizational structure; improved operational efficiencies for better use of resources and removal of duplication in the areas of human resources, finance and technology; and consolidation of research and policy functions to better align with government priorities.

Planning Summary Total ($ millions)

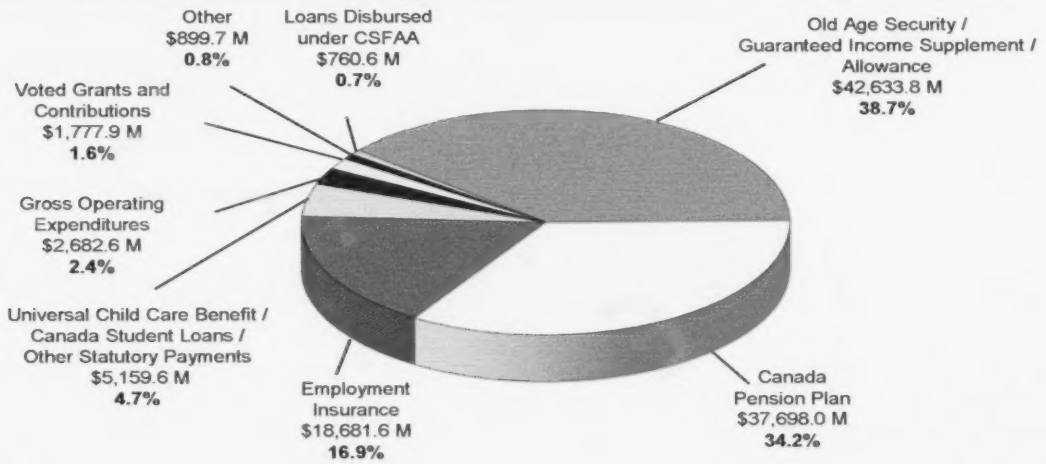
Strategic Outcome(s) Program(s), and Internal Services	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending		
				2013–14	2014–15	2015–16
Other costs*	**705.7**	**1,095.1**	**676.8**	**899.7**	**894.8**	**898.0**
Total	**101,467.2**	**100,860.0**	**105,665.9**	**110,293.8**	**114,355.2**	**119,404.7**

* Other costs include administrative costs of Other Government Departments charged to the Employment Insurance Operating and the Canada Pension Plan accounts. It also includes Employment Insurance Doubtful accounts and recoveries from Other Government Departments for Workers Compensation costs.

Expenditure Profile

For 2013–14, the Department has planned expenditures on programs and services of $110.3 billion. Of that amount, $104.9 billion directly benefit Canadians through statutory transfer payment programs, such as Employment Insurance, the Canada Pension Plan, the Universal Child Care Benefit, Old Age Security as well as loans disbursed under the *Canada Student Financial Assistance Act*.

CONSOLIDATED TOTAL: $110,293.8 M



HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA - GROSS EXPENDITURES
($ millions)

Budgetary		
Net Operating Costs		**999.7**
Add Recoveries in relation to:		
Canada Pension Plan	281.5	
Employment Insurance Operating Account	1,279.7	
Workers' Compensation	115.0	
Other	6.7	1,682.9
Gross Operating Costs		**2,682.6**
Voted Grants and Contributions		**1,777.9**
Total Gross Expenditures		**4,460.5**
Other – Workers' Compensation and EI/CPP Charges and Recoveries		**899.7**
Non-Budgetary		
Loans disbursed under *Canada Student Financial Assistance Act* (CSFAA)		**760.6**

STATUTORY TRANSFER PAYMENTS
($ millions)

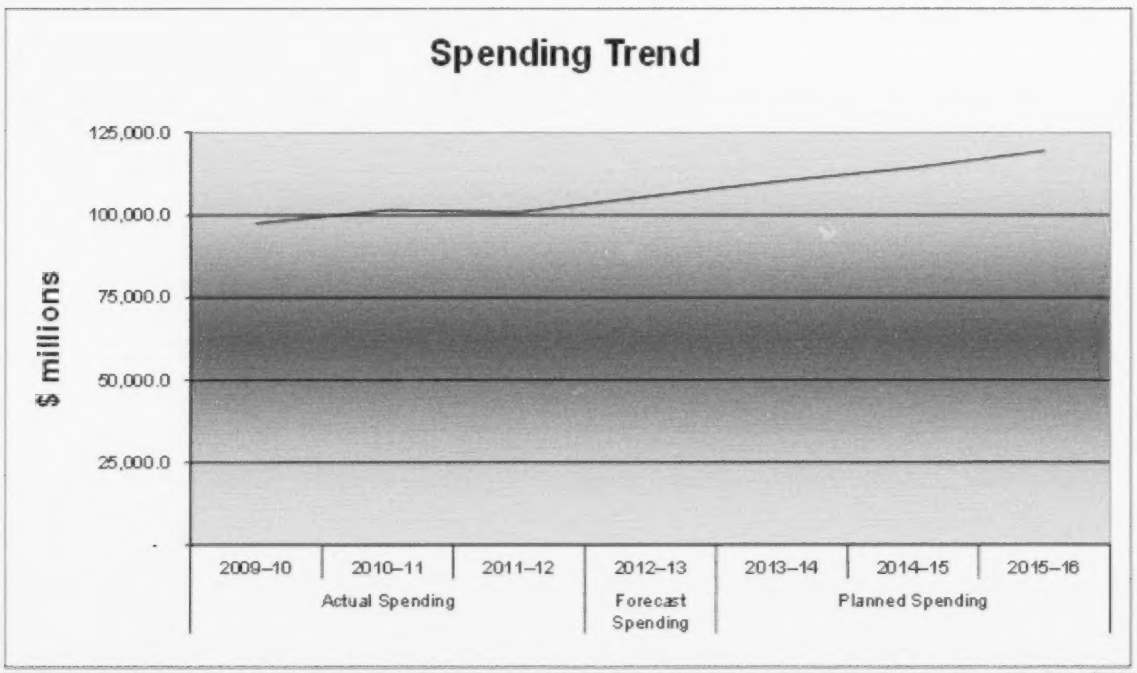
Grants and Contributions:		
Old Age Security		**32,351.6**
Guaranteed Income Supplement		**9,735.3**
Allowance		**546.9**
Other Statutory Payments:		
Universal Child Care Benefit	2,788.0	
Canada Student Loans	1,104.9	
Canada Education Savings Grant	754.0	
Canada Disability Savings Program	299.5	
Canada Learning Bond	128.0	
Wage Earner Protection Program	49.3	
Pathways to Education	6.0	**5,129.7**
Sub-Total		**47,763.5**
Canada Pension Plan Benefits		**37,698.0**
Employment Insurance Benefits		
Part I	16,607.0	
Part II	2,074.6	**18,681.6**
Other Specified Purpose Accounts		**29.9** [a]
Total Statutory Transfer Payments		**104,173.0**

[a] This amount includes payments related to Government Annuities Account, the Civil Service Insurance Fund and the Canada Millennium Scholarship Foundation Excellence Awards Fund.

Departmental Spending Trend

The figure below illustrates HRSDC's trend from 2009–10 to 2015–16. For the 2013–14 fiscal year, HRSDC plans to spend $110.3 billion to meet the expected results of its program activities.

For the 2009–10 to 2012–13 periods, the total spending includes all Parliamentary appropriation and revenue sources, Main Estimates and Supplementary Estimates. For the 2013–14 to 2015–16 periods, total spending corresponds to the planned spending.



Total Consolidated Expenditures ($ millions)						
Actual Spending			Forecast Spending	Planned Spending		
2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16
97 402.7	101 467.2	100 860.0	105 665.9	110 293.8	114 355.2	119 404.7

Changes from 2009–10 to 2015–16 can be mainly explained by Canada Pension Plan, Old Age Security and Employment Insurance benefits. During 2011–12, Shared Services Canada was created to streamline and consolidate government networks, data centres and email systems. Shared Services Canada represents the adoption of an enterprise approach to information technology infrastructure across the government. This transfer has been effective since November 15, 2011 and planned spending has been adjusted accordingly.

Canada Pension Plan and Old Age Security Benefits

Canada Pension Plan benefits are planned at $42.2 billion in 2015–16 ($30.4 billion in 2009–10) and Old Age Security benefits at $47.5 billion in 2015–16 ($34.7 billion in 2009–10). The annual increases are associated with the aging population and changes in the average monthly benefits. It is estimated that, between 2009–10 and 2015–16, there will be an increase of more than 1 million beneficiaries for both the Canada Pension Plan and the Old Age Security program. The number of Canada Pension Plan beneficiaries will increase from 4.54 million in 2009–10 to 5.56 million in 2015–16, while the number of beneficiaries of the Old Age Security program for the same period increases from 4.73 million to 5.74 million. During the period 2009–10 to 2015–16, it is forecast that monthly rates will increase by an average of approximately $75 per month for these two programs.

Employment Insurance Benefits

Employment Insurance benefits fluctuate every year mainly due to changes in the average unemployment rate. For example, the decrease in Employment Insurance benefits from 2010–11 to 2011–12 resulted from a decrease in the average unemployment rate from 7.9 percent to 7.4 percent.

Estimates by Vote

For information on HRSDC's appropriations, please see the *2013–14 Main Estimates* publication. An electronic version of the Main Estimates is available at www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp.

Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy outlines the Government of Canada's commitment to improving the transparency of environmental decision-making by articulating its key strategic environmental goals and targets. The Government will be consulting the public in 2013–14 regarding the second three-year cycle of the Federal Sustainable Development Strategy (2013–16). The 2013–16 Federal Sustainable Development Strategy will be finalized in 2013–14. It will be presented as part of year-end performance reporting for 2013–14.

HRSDC ensures that consideration of these outcomes is a part of its decision-making processes. In particular, through the federal Strategic Environmental Assessment process, any new policy, plan or program initiative includes an analysis of its impact on attaining the Federal Sustainable Development Strategy goals and targets. The results of Strategic Environmental Assessments are made public when an initiative is announced, demonstrating the Department's commitment to achieving the Federal Sustainable Development Strategy goals and targets.

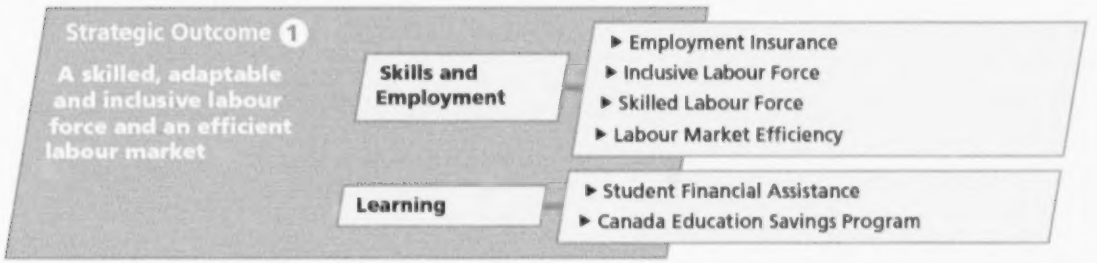
The Department contributes to Theme IV: Shrinking the Environmental Footprint – Beginning with Government, as denoted by the symbol below:

Theme IV:
Shrinking the Environmental Footprint –
Beginning with Government

For additional details on HRSDC's activities to support sustainable development, please see Section II of this report and the HRSDC website at www.hrsdc.gc.ca/eng/publications/sds/index.shtml. For complete details on the Strategy, please see the Federal Sustainable Development Strategy website at www.ec.gc.ca/dd-sd/.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome 1



Program: Skills and Employment

Program Description

Skills and Employment programming is intended to ensure that Canadian labour market participants are able to access the supports that they need to enter or reposition themselves in the labour market and allow them to contribute to economic growth through full labour market participation. Initiatives within this program contribute to the common overall objectives of promoting skills development, labour market participation and ensuring labour market efficiency.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
1,929.0	20,656.1	20,436.9	20,733.6

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
1,612	1,495	1,441

Program Expected Results	Performance Indicators	Targets and Historical Results
Workers in an adjustment situation have access to temporary financial assistance	Percentage of unemployed individuals eligible to receive Employment Insurance benefits, among those who had a recent job separation that met program eligibility criteria Source: Statistics Canada, Employment Insurance Coverage Survey	Target: 80–85% Historical Results: 2011: 78.4% 2010: 83.9% 2009: 86.2% 2008: 82.2% 2007: 82.3%
Canadians, including under-represented groups and vulnerable workers, have the opportunity to acquire skills to find and maintain productive employment	The proportion of clients employed and/or returning to school following a completed employment program intervention under the following federally delivered programs: Youth Employment Strategy, Opportunities Fund for Persons with Disabilities, Aboriginal Skills and Employment Training Strategy and Skills and Partnerships Fund Source: Administrative Data	Target: 55–65% Historical Results: 2011–12: 67.7% 2010–11: 56.8% 2009–10: 56.8% 2008–09: 61.4% 2007–08: 59.9%
The national labour market supply and demand are balanced	Proportion of regular Employment Insurance claimants who exhaust all their weeks of benefits* Source: Employment Insurance Administrative Data * Data and analysis on entitlement exhaustion relate to claims established in a given fiscal year and where enough time is allowed to ensure the maturity of all claims analyzed. The target is a decline in this proportion. There are many factors that determine the proportion, including economic and policy factors. For example, an improvement in the economy could reflect a decline in the proportion (i.e., more Employment Insurance claimants found work) or it could reflect the effectiveness of the Employment Insurance program.	Target: 23–27% Historical Results: 2009–10: 24.8% 2008–09: 27.0% 2007–08: 28.4% Note: For calculation purposes, there is a lag in the availability of data for this indicator.
	Percentage of apprentices who have completed their apprenticeship program and obtained certification in a Red Seal trade* Source: Registered Apprentice Information System, Statistics Canada * This indicator is calculated by dividing the number of individuals who registered in an apprenticeship program five fiscal years previously (i.e. 2008–09) by the number of individuals who completed their program and obtained certification this fiscal year (i.e. 2013–14). A five-year time period is used for the calculation as data indicates that this is the average length of time required to complete an apprenticeship program.	Target: 45–55% Historical Results: N/A (Indicator modified)

Planning Highlights

Improve the Efficiency, Fairness and Responsiveness of the Employment Insurance Program

Continuing the implementation of the broad range of improvements to the Employment Insurance program announced under *Economic Action Plan 2012*, including removing disincentives to work, enhancing support for unemployed Canadians and quickly connecting people to jobs to improve their quality of life and Canada's economy, will remain a priority for HRSDC in 2013–14. The Department will also examine additional options to enhance the efficiency, fairness and responsiveness of the Employment Insurance program.

Collaborate with the Provinces and Territories and Other Partners to Enhance Skills Acquisition and Reduce Barriers to Labour Market Participation

The Department will collaborate with partners, including the provinces and territories, on initiatives and innovative approaches to support the acquisition of labour market skills by Canadian workers. Collaborating with the provinces and territories on projects that improve linkages between income support (Employment Insurance Part I) and active employment measures programming (Employment Insurance Part II) is a key facet of the Connecting Canadians with Available Jobs initiative. To facilitate moving forward on these projects, HRSDC will also be working on modernizing the supporting information technology systems. Other work with provinces and territories will include discussions on the future of labour market programming for persons with disabilities. The Department will also be collaborating with the not-for-profit sector and private business on the implementation of a number of pilots that test social partnership and social finance approaches in the area of literacy, youth and Aboriginal labour market programming, as well as through the Foreign Credential Recognition Loans Pilot.

Encourage Canadians to Pursue Opportunities in High-demand Sectors

Given a labour market characterized by a high demand for skilled workers in certain regions and sectors co-existing with higher rates of unemployment in others, the Department will focus efforts on aligning the labour market skills acquisition of Canadian workers and youth with the current and future skills needs of employers. The Department will continue with initiatives to link youth with high-demand labour sectors in the Canadian labour market and will work to prepare Aboriginal people, including youth, with the skills needed in the labour market. Ensuring the availability of relevant labour market information is crucial to assisting Canadians in preparing for and finding suitable employment, and the Department will continue to enhance labour market information through such tools as the Working in Canada website. In addition, HRSDC will work with educational institutions, employers and other stakeholders to obtain further intelligence on sector and occupational skills shortages to inform Canadians' job and career choices.

Given the strong demand in certain regions for workers in the trades sectors, the Department will encourage skills acquisition in the trades as well as Red Seal certification. HRSDC will continue to address employers' labour needs through the Temporary Foreign Worker Program while ensuring that Canadian workers always have the first chance at job opportunities. The Department will also continue to support the recognition of foreign credentials, address barriers to interprovincial labour mobility and work with government and other partners to enhance linkages between employer demand for skilled workers and the immigration program.

Program: Learning

Program Description

This program helps Canadians participate in post-secondary education to acquire the skills and credentials that enable them to improve their labour market outcomes and adapt to changing labour market conditions. It reduces barriers to education by providing financial assistance to individuals as well as incentives to save for a child's post-secondary education. It also provides information and awareness about opportunities to acquire education and skills. The program contributes to the inclusiveness of the workforce by giving Canadians with the required academic abilities a more equal opportunity to participate in post-secondary education. The program works with the provinces and territories, the voluntary sector, financial institutions, service providers and other key stakeholders to help Canadians pursue post-secondary education.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
2,138.2	2,899.2	2,840.2	2,773.8

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
354	321	321

Program Expected Results	Performance Indicators	Targets and Historical Results
Canadians have the skills and credentials to succeed in the labour market	Canada's ranking for the percentage of its population (aged 25–64) with post-secondary education credentials among Organisation for Economic Co-operation and Development countries Source: Organization for Economic Co-operation and Development, Education at a Glance 2013	Target: Canada in first place among Organisation for Economic Co-operation and Development countries Historical Results: 2009: 1st 2008: 1st 2007: 1st 2006: 1st 2005: 1st
	Percentage of the Canadian labour force (aged 25–64) who have attained a post-secondary education certificate, diploma or degree Source: Statistics Canada, Labour Force Survey	Target: 68.4% Historical Results: 2011: 66.8% 2010: 66.0% 2009: 65.0% 2008: 64.3% 2007: 63.7%
Canadians, including those from under-represented groups, can participate equitably in post-secondary education	The percentage of Canadians (aged 17–21) who were attending university or college, by age group Source: Statistics Canada, Labour Force Survey	Target: 42.5% Historical Results: 2011: 41.5% 2010: 40.4% 2009: 39.2% 2008: 38.1% 2007: 38.1%
Canadians, including those from under-represented groups, have access to financing for their post-secondary education	Percentage and number of full- and part-time post-secondary students who used Registered Education Savings Plan funding to help finance their participation in post-secondary education Source: Administrative Data and Statistics Canada, Labour Force Survey	Target: 16% (327,900) Historical Results: 2011: 14.3% (299,709) 2010: 13.9% (287,865) 2009: 12.8% (251,159) 2008: 12.3% (228,794) 2007: 11.6% (218,180)
	Percentage and number of full-time post-secondary students (aged 15–29) in participating provinces/territories who used a Canada Student Loan and/or a Canada Student Grant and/or an in-study interest subsidy to help finance their participation in post-secondary education Source: Administrative Data and Canada Student Loans Program Actuarial Report	Target: 42% (530,000) Historical Results: 2011: 39.9% (514,580) 2010: 40.0% (497,440)

Program Expected Results	Performance Indicators	Targets and Historical Results
	Percentage of children under 18 (in 2013) who have ever received a Canada Education Savings Grant Source: Administrative Data and Census Data	Target: 46.1% Historical Results: 2011: 43.6% 2010: 42.8% 2009: 40.6% 2008: 39.7% 2007: 37.8%
	Percentage of eligible children (in 2013) who have ever received a Canada Learning Bond Source: Administrative Data and Canada Revenue Agency Administrative Data	Target: 30.1% Historical Results: 2011: 24.4% 2010: 21.8% 2009: 19.3% 2008: 16.3% 2007: 11.8%

Planning Highlights

Improving Learning Programs

In 2013–14, the Department will implement an agreement with the Government of Saskatchewan to deliver the Saskatchewan Advantage Grant for Education Savings. HRSDC will also continue implementing enhancements to the Canada Student Loans Program announced in Budget 2011 and Budget 2012, including loan forgiveness for eligible doctors and nurses.

Service Delivery Improvements

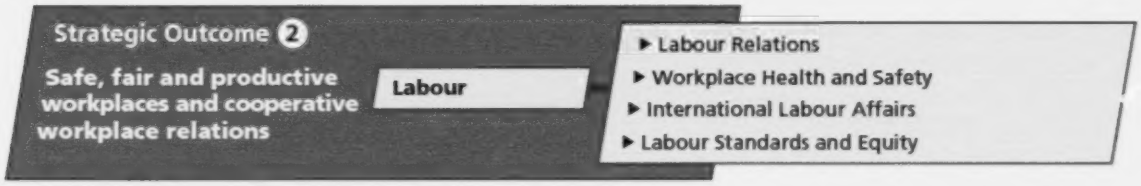
HRSDC will implement Master Student Financial Assistance Agreements with the four remaining jurisdictions (Alberta, New Brunswick, Prince Edward Island and Yukon). This will enable borrowers to enter into one student loan agreement for the lifetime of their studies. HRSDC will also work with provinces and Yukon to increase the number of educational institutions using the Electronic Confirmation of Enrolment Portal. This will eliminate line-ups at educational institutions to secure loan approvals. The Department will also launch the online application for the Repayment Assistance Plan, which will make applying for loan repayment assistance easier.

HRSDC uses a third-party service provider to help deliver the Canada Student Loans Program. The current contract expires on March 31, 2015, with options to extend to 2018. The Department will engage with industry to explore options for alternative business models, and will target issuing the resulting Request for Proposal for a new service provider contract(s) by 2014.

Improve Stewardship and Accountability

The Department continually looks at ways to improve the stewardship and accountability of its programs. To improve administration of the Canada Student Loans Program, HRSDC will explore options to implement a new Memorandum of Understanding with the Canada Revenue Agency.

Strategic Outcome 2


Strategic Outcome 2
Safe, fair and productive workplaces and cooperative workplace relations
Labour
▸ Labour Relations
▸ Workplace Health and Safety
▸ International Labour Affairs
▸ Labour Standards and Equity

Program: Labour

Program Description

This program seeks to promote and sustain stable industrial relations and safe, fair and productive workplaces within the federal jurisdiction, which includes employers in transportation, post office and courier companies, communications, banking, grain and nuclear facilities, federal Crown corporations, companies that have major contracts with the federal government and Aboriginal governments, their employees, Aboriginal communities and certain Aboriginal undertakings. It develops labour legislation and regulations to achieve a balance between workers' and employers' rights and responsibilities. The program ensures that workplaces under federal jurisdiction respect the rights and obligations established under labour legislation. The program also manages Canada's international and intergovernmental labour affairs, as well as Aboriginal labour affairs responsibilities.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
271.2	271.2	265.6	265.9

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
631	520	520

Program Expected Results	Performance Indicators	Targets and Historical Results
Unions and management use grievance mediation to successfully resolve disputes and establish cooperative workplace relations	Percentage of intervention/grievance mediation attempts that resulted in a grievance mediation settlement Source: Administrative Data	Target: 75% (Baseline Year) Historical Results: N/A

Program Expected Results	Performance Indicators	Targets and Historical Results
Workplace parties comply with relevant workplace standards, follow guidelines and adopt best practices	Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal complaints). Source: Administrative Data	Target: 75% Historical Results: 2011-12: 73.2% 2010–11: 71.8% 2009–10: 77.24% 2008–09: 78.63%
	Percentage of unjust dismissal complaints settled by inspectors under Part III (Labour Standards) of the *Canada Labour Code* Source: Administrative Data	Target: 75% Historical Results: 2011–12: 72% 2010–11: 71% 2009–10: 71% 2008–09: 73%
Potential workplace disputes are resolved without a work stoppage through mediation and conciliation	Percentage of labour disputes settled under Part I (Industrial Relations) of the *Canada Labour Code* without work stoppages, where parties were assisted by Labour Program officers Source: Administrative Data	Target: 90% Historical Results: 2011–12: 93% 2010–11: 94% 2009–10: 94% 2008–09: 94%
Risks to life, health and property are eliminated or mitigated	Percentage change, year over year, in the rate of lost time injuries and fatalities within the targeted higher-risk federal jurisdiction industries Source: Administrative Data	Target: Decrease of 15% over a five-year period (calendar years 2009–13) Historical Results: 2005–09: Decrease of 5.72% 2001–05: Decrease of 20.5%

Planning Highlights

Modernization of Core Business

The Labour Program will continue to modernize and transform the way it delivers its core business to better respond to the evolving needs and expectations of Canadians. This includes progressively replacing existing paper-based services with electronic tools to further enhance program delivery. It also includes furthering the reduction of red tape and administrative burden for small businesses, while also facilitating compliance. The Labour Program is increasing its pro-active efforts in occupational health and safety and labour standards, and will reduce and prevent workplace injuries through the compliance tools available under its legislative (*Canada Labour Code* Part II and Part III) and regulatory frameworks.

Continue to Review and Renew the Labour Program's Policies and Programs

The Labour Program will continue to review and renew its key policies and programs to enhance program and service delivery. In the face of an increasingly complex sphere of responsibility, the Labour Program must use a modern and comprehensive compliance strategy that involves solid business intelligence and a range of efficient and results-focused tools. The Labour Program will use business intelligence to focus efforts on prevention-based strategies. To help employers and workers comply with their obligations under the *Canada Labour Code* and other legislation, and ultimately improve efforts to prevent injuries in high-risk industries, better data with focused awareness activities and proactive inspections will be used.

The Labour Program will enhance its compliance strategy and educate employees and employers to reduce and prevent workplace accidents. In addition, it will continue to support policy and program development in relation to mental health issues. It will also focus on enhancing partnerships within the Government, and externally, with provincial and territorial labour stakeholders, to foster co-operation and collaboration on labour issues.

The Labour Program's preventive mediation and conciliation services assist unions and management in building better relationships that translate into better relations at the negotiation table, thereby preventing unhealthy relations that can result in costly work stoppages. The Program will undertake initiatives to further expand preventive mediation activities to promote labour-management stability within the federal jurisdiction, while continuing to provide conciliation and mediation services (collective bargaining). This is a key element in our efforts to foster stability while in an economic recovery period.

Supporting the Government's Trade Agenda

The Labour Program will advance the Government of Canada's international trade agenda through the negotiation and implementation of labour provisions within the context of each of its trade agreements, for example, with the European Union, the Trans-Pacific Partnership, Ukraine, India, Morocco, South Korea and Japan. It will also extend co-operation with China on industrial relations, labour standards issues and occupational health and safety. The Labour Program will continue to represent Canada in multilateral fora, notably the International Labour Organization, negotiate international labour standards and advance Canadian interests and fundamental values abroad.

Improve Performance Management and Employee Engagement

The Labour Program recognizes the importance of maintaining a productive, competitive and flexible workforce. It also recognizes the significance of leadership and employee engagement as it transforms to a high-performing organization. As such, it will focus on change and performance management, and find additional ways to improve succession planning and knowledge transfer. It will also take necessary steps to provide employees with the right tools to improve their effectiveness.

Strategic Outcome 3

Program: Income Security

Program Description

This program ensures that Canadians are provided with retirement pensions, survivor pensions, disability benefits and benefits for children through the Old Age Security program, the Canada Pension Plan, the Canada Disability Savings program and the National Child Benefit program.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
42,982.5	80,680.5	85,278.4	90,084.1

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
331	240	240

<table>
<tr><th>Program Expected Results</th><th>Performance Indicators</th><th>Targets and Historical Results</th></tr>
<tr><td>Canada's seniors have an adequate level of income to maintain their standard of living</td><td>The incidence [a] and depth [b] of low-income among seniors [c] using the Market Basket Measure [d]

Source: Statistics Canada; Survey of Labour and Income Dynamics</td><td>Target: N/A (Contextual Indicator [f])

Historical Results:
<table>
<tr><th>Year</th><th>Incidence and Depth</th><th>% of seniors who had low family income</th><th>% of seniors who would have had low income without support from the Canada Pension Plan, Old Age Security and the Guaranteed Income Supplement</th><th>Difference</th></tr>
<tr><td rowspan="2">2010</td><td>Incidence</td><td>4.0</td><td>49.2</td><td>45.2</td></tr>
<tr><td>Depth</td><td>22.1</td><td>59.5</td><td>37.4</td></tr>
<tr><td rowspan="2">2009</td><td>Incidence</td><td>4.2</td><td>49.5</td><td>45.4</td></tr>
<tr><td>Depth</td><td>22.5</td><td>59.4</td><td>36.9</td></tr>
<tr><td rowspan="2">2008</td><td>Incidence</td><td>2.9</td><td>48.5</td><td>45.6</td></tr>
<tr><td>Depth</td><td>24.0</td><td>59.5</td><td>35.5</td></tr>
<tr><td rowspan="2">2007</td><td>Incidence</td><td>2.1</td><td>47.4</td><td>45.3</td></tr>
<tr><td>Depth</td><td>28.2</td><td>58.4</td><td>30.2</td></tr>
<tr><td rowspan="2">2006</td><td>Incidence</td><td>2.3</td><td>49.4</td><td>47.1</td></tr>
<tr><td>Depth</td><td>23.0</td><td>59.0</td><td>36.0</td></tr>
<tr><td rowspan="2">2005</td><td>Incidence</td><td>2.3</td><td>50.7</td><td>48.4</td></tr>
<tr><td>Depth</td><td>18.5</td><td>60.1</td><td>41.6</td></tr>
</table>
Note: There is a two-year lag in the availability of data for this indicator.</td></tr>
<tr><td>Eligible working-aged Canadians with severe and prolonged disabilities have a measure of income security</td><td>Percentage of Canada Pension Plan contributors who have contributory coverage for Canada Pension Plan Disability

Source: Office of the Superintendent of Financial Institutions</td><td>Target: 68%

Historical Results:
2009: 68% (70% for males and 65% for females)
2008: 67%
2007: 66%

Note: There is a two-year lag in the availability of data for this indicator.</td></tr>
<tr><td>Eligible individuals with severe and prolonged disabilities (and their families /guardians) open Registered Disability Saving Plans to save for the future</td><td>Total number of registered accounts opened since the inception of the program

Source: Administrative Data</td><td>Target: 75,431

Historical Results:
2011–12: 54,787 accounts (total number of accounts since start of Program)
2010–11: 42,678 accounts (as of March, 2011)</td></tr>
</table>

Canada's families with children have an adequate level of income to maintain their standard of living	Incidence[a], depth[b] of low income among Canadians in families with children[c] using the Market Basket Measure[d] Source: Statistics Canada; Survey of Labour and Income Dynamics	Target: N/A (Contextual Indicator[f]) Historical Results:

Year	Incidence and Depth	% of Canadians in families with children who had low income	% of Canadians in families with children who would have had low income without the support of the National Child Benefit Supplement and the Universal Child Care Benefit	Difference
2010	Incidence	8.6	12.0	3.4
	Depth	25.9	31.3	5.4
2009	Incidence	9.9	13.4	3.4
	Depth	28.2	33.4	5.2
2008	Incidence	9.0	11.9	2.9
	Depth	26.4	32.9	6.6
2007	Incidence	7.9	11.6	3.6
	Depth	27.1	32.3	5.1
2006	Incidence	9.3	12.5	3.2
	Depth	26.0	31.4	5.4
2005	Incidence	10.0	12.8	2.8
	Depth	28.7	32.2	3.5

Note: There is a two-year lag in the availability of data for this indicator.

[a] The percentage of individuals living in families with a disposable income below their low-income threshold.

[b] The percentage by which the family income of persons in low-income families falls short of the relevant threshold. For example, a family whose Market Basket Measure threshold is $25,000 with a disposable income of $20,000 would have a depth of low income of $5,000 or 20% of the threshold level of $25,000.

[c] Individuals aged 65 and over.

[d] The basket on which the Market Basket Measure is based includes specified quantities and qualities of goods and services related to food, clothing and footwear, shelter, transportation and other goods and services such as personal and household needs, furniture, telephone service, and modest levels of reading, recreation and entertainment.

[e] Children are family members under the age of 18.

[f] Contextual indicators are used by the Department to monitor overall social trends and inform policy development. Specific outcomes are not actively targeted in the areas measured by this indicator.

Planning Highlights

Improving Policy, Program and Service Delivery

Canada's population is aging, and demands on Canada's public retirement income system are expected to grow. To respond to the changing needs of Canadians and address this expected increase in demand, the Department will continue to identify and implement program, policy and service delivery changes to improve Old Age Security and the Canada Pension Plan, including Canada Pension Plan Disability. This work will include analyzing interactions with Budget 2011

and Budget 2012 changes related to shifting the age of eligibility for Old Age Security, the new Canada Pension Plan Post-Retirement Benefit and proactive enrolment opportunities. The Department will continue to provide policy guidance and direction to support the new Social Security Tribunal in adjudication and appeals for the Canada Pension Plan and Old Age Security.

The Department will also continue to lead the implementation and administration of the Canada Disability Savings Grant and Bond to help people with disabilities and their families save for the future. Work to implement the changes to the Registered Disability Savings Plan, Canada Disability Savings Grant and Canada Disability Savings Bond, announced in Budget 2012, is underway and will continue into the next fiscal year.

Program: Social Development

Program Description

This program supports programs for the homeless and those individuals at risk of homelessness, as well as programs for children, families, seniors, communities and people with disabilities. It provides these groups with the knowledge, information and opportunities to move forward with their own solutions to social and economic challenges.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
3,030.1	3,030.1	2,906.9	2,932.9

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
442	219	219

Program Expected Results	Performance Indicators	Targets and Historical Results
Homelessness is prevented and reduced	Number of people placed in longer-term stable housing through Homelessness Partnering Strategy-funded projects Source: Homelessness Electronic Reporting Information Network	Target: 8,500 Historical Results: 2011–12: 9,076 2010–11: 9,919 2009–10: 9,390 2008–09: 10,013 2007–08: 8,850

Program Expected Results	Performance Indicators	Targets and Historical Results
Not-for-profit sector and partners have the capacity to respond to existing and emerging social issues for target populations	Number of partnerships/networks developed by funding recipients as a result of funded projects	Target: TBD Historical Results: 2011–12: Children and families component: 962 Disability component: 18,290
Seniors participate in and contribute to communities	Total number of New Horizons for Seniors Program projects funded Source: Administrative Data	Target: 1,842 Historical Results: N/A (New measure. 2012–13 was a baseline year)

Planning Highlights

Pursuing Program Innovation

As announced in Budget 2012, HRSDC is working with innovative charities and forward-thinking private-sector companies to develop new approaches to resolve social challenges. Successful use of these approaches will increase the Department's ability to leverage community assets to address social challenges, making federal programs more efficient. The outcomes from pilot projects will be analyzed to inform options for future program design.

Renewing and Enhancing Programs

In response to the Government of Canada's social partnerships agenda, the Department will transform the Social Development Partnerships Program by supporting new approaches to addressing complex social issues, including encouraging multi-sector partnerships and leveraging assets for increased impact.

Strategic Outcome 4

Program: Citizen-Centred Service

Program Description

This program aims to improve and integrate government service delivery by providing Canadians with a one-stop, easy-to-access, personalized service through in-person contact, telephone, Internet or mail. This program is supported by overarching client segment strategies and partnerships with other departments, other levels of government and community-based partners. This program also includes client feedback mechanisms and the responsibility for increasing public awareness of Service Canada.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
284.5	284.5	276.7	276.7

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
3,851	3,722	3,720

Program Expected Results	Performance Indicators	Targets and Historical Results
Canadians have one-stop, personalized access to Government of Canada programs and services	Percentage of clients self-serving through the Web after operating hours Source: Administrative Data	Target: Baseline Year
	Percentage of calls answered by an agent within 18 seconds for 1 800 O-Canada Source: Administrative Data	Target:85% Historical Results: 2011–12: 73% 2010–11: 87% 2009–10: 90%
	Percentage of Canadians with access to a Service Canada point of service within 50 kilometres of where they live Source: Administrative Data	Target: 90% Historical Results: 2011–12: 95.8% 2010–11: 95.8% 2009–10: 95.7% 2008–09: 95.6% 2007–08: 95.4%

Planning Highlights

Improving Services for Canadians

The Department, through Service Canada, delivers information on its programs and services and provides a number of options for Canadians to connect and conduct business. In addition to efforts to improve electronic services and self-service options, Service Canada will continue to pursue agreements with other departments so that Canadians can readily access more Government of Canada services through Service Canada.

Supporting the development and implementation of evolving directions in service delivery remains a significant priority for the portfolio, as well as implementing cost-saving initiatives and advancing the transformation of service delivery to Canadians.

In the coming year, efforts will continue to improve electronic services and self-service options. HRSDC will undertake several projects to improve the way it delivers services online that will provide citizens with greater opportunities to deal with government electronically and resolve their enquiries at first contact. In alignment with the Government of Canada's plans and priorities to increase the delivery of services on the Web, Service Canada will be developing a multi-year plan for My Service Canada Account. In the multi-year plan, Service Canada will ensure that My Service Canada Account has the capacity and functionality to allow Canadians to interact and transact with government when, how and where they choose. Information technology priorities also include ensuring the stability and availability of My Service Canada Account.

HRSDC will implement infrastructure upgrades and architecture enhancements to improve the performance and availability of My Service Canada Account.

Service Canada continues to improve the website user experience by ensuring that content is client-focused, easy to navigate and in plain language. The site will be redesigned to facilitate a step-by-step approach to assist clients to self-serve. Optimization of search engines will also enable Canadians to find the information and services on the Web quickly and easily. This will support Service Canada's objective to increase the use of the Web and provide Canadians with easy and convenient services.

In continuing to provide the 1 800 O-Canada toll-free information service, Service Canada will be renewing its service delivery contract. The continuation of this service delivery will build on world-class service excellence achieved to date through the 1 800 line and will be responsive to the ever-changing demands of Service Canada's business and service delivery to Canadians. It will also ensure ongoing flexibility and responsiveness in providing Canadians with timely access to Government of Canada information on programs, services and initiatives.

Finally, service improvements include continued work on implementation of the service delivery vision for student loans and grants, including electronic delivery of processes and benefits.

Enhancing Delivery of HRSDC's Grants and Contributions Programs

Grants and contributions are one of the Government's key instruments to pursue public policy goals through targeted programming. HRSDC is moving forward with its grants and contributions modernization agenda to make the delivery of these programs less costly and more efficient—maintaining accountability and improving outcomes and access to funding while cutting red-tape and administrative burden for stakeholders. This entails redesigning business processes and a staged implementation of online services for grants and contributions. The Department will also take steps to validate and enhance its internal control framework for grants and contributions.

Program: Integrity and Processing

Program Description

This program enhances and strengthens the integrity of Service Canada services and programs to ensure that the right person receives the right service or benefit at the right time, and for the intended purpose.

Under this program, the Department processes and delivers the Government of Canada's largest statutory programs and services, including Old Age Security, the Guaranteed Income Supplement and Allowances, the Canada Pension Plan and Employment Insurance. It determines program applicants' eligibility, handles appeals and conducts investigations into potential client error, fraud and abuse. It also aims to improve automation in Service Canada's information systems for payment and service delivery processes. This program supports the Government of Canada in achieving more effective, efficient and streamlined processing and payment services to citizens.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
697.9	697.9	649.9	637.5

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
8,649	7,927	7,732

Program Expected Results	Performance Indicators	Targets and Historical Results
Services and benefits are delivered accurately	Percentage of services and benefits delivered accurately (for Employment Insurance, the Canada Pension Plan and Old Age Security/Guaranteed Income Supplement/Allowance and Allowance for the Survivor) Source: Administrative Data	Target: 95% payment accuracy Historical Results **Payment accuracy of Employment Insurance:** 2011–12: 95.2% 2010–11: 94.0% 2009–10: 96.1% 2008–09: 95.7% 2007–08: 94.6% **Payment accuracy of the Canada Pension Plan:** 2011–12: 99.8% 2010–11: 99.8% 2009–10: 99.9% 2008–09: 99.5% **Payment accuracy of Old Age Security/Guaranteed Income Supplement and Allowance/Allowance for the Survivor:** 2011–12: Results by Benefit Type*

Program Expected Results	Performance Indicators	Targets and Historical Results
		Old Age Security basic pension: 99.7% Guaranteed Income Supplement: 97.1% Allowance/Allowance for the Survivor: 96.0% Composite rate: 99.1% 2010–11: 99.6% 2009–10: 99.5% 2008–09: 98.4% 2007–08: 99.9% *As of April 2011, the Old Age Security Payment Accuracy Review methodology was modified to perform reviews by benefit type as recommended by the Office of the Auditor General.
Services and benefits are delivered securely	Percentage of incidents where positively identified clients are notified within 10 business days that their personal information was potentially put at risk Source: Administrative Data	Target: 100% Historical Results: 2011–12: 95.6% 2010–11: 92.7%
Canadians receive services, benefit payments or notification of non-payment within service standards	Percentage of services, benefit payments or non-payment notifications delivered within service standards Source: Administrative Data	Target: TBD (from 2012–13 results) Historical Results: N/A
Clients receive the appropriate service or benefit	Amount of program savings: overpayments recovered and future expenditure reduction Source: Administrative Data	Target: $519M Employment Insurance program savings: $437M Canada Pension Plan program savings: $28M Old Age Security program savings: $54M Historical Results: 2011–12: $472.17M Employment Insurance program savings achieved: $380.65M Canada Pension Plan program savings achieved: $35.60M Old Age Security program savings achieved: $55.92M 2010–11: Baseline Year
Clients are accurately identified for the purpose of receiving the appropriate service or benefit for Social Insurance Number-based programs	Accuracy rate for legitimate Social Insurance Numbers in the Social Insurance Register Source: Administrative Data	Target: 99.9% Historical Results: 2011–12: 99.9% 2010–11: 99.9% 2009–10: 99.9% 2008–09: 99.9%

Planning Highlights

Improving Core Programs and Strengthening Integrity and Identity Management

In 2013–14, Service Canada will continue to build on existing efforts to further increase the level of Employment Insurance automation. This will support progress already achieved in reducing administrative costs, implementing national workload management of Employment Insurance claims and providing clients with an efficient and consistent service experience. Measures will include increasing client/employer self-serve capacity through enhanced electronic services and promoting electronic filing of Records of Employment by employers, and the automated processing of more claims.

The Department will continue to implement improvements to the delivery of Canada Pension Plan, Old Age Security and Guaranteed Income Supplement benefits. As the population continues to age, the service improvement strategy for Old Age Security and the Guaranteed Income Supplement aims to address growing workload pressures and meet the changing expectations of beneficiaries. The Department will continue implementing key legislative and regulatory initiatives for its core programs such as the Old Age Security voluntary deferral, the Canada Pension Plan Post-Retirement Benefit and the Connecting Canadians with Available Jobs initiative.

The Department will continue to enhance Employment Insurance, Old Age Security, Canada Pension Plan, Temporary Foreign Worker Program and other HRSDC program integrity measures against fraud, abuse and non-compliance. The measures will include risk analysis and quality management strategies that are designed to achieve savings through the reduction of client errors and fraud, and the identification of overpayments. In the current environment of fiscal restraint, transformation of integrity approaches and continued development and implementation of predictive analytics measures will better address program integrity risks and contribute to achieving savings for the fiscal framework and increased results through more effective, risk-based analysis and approaches.

HRSDC will continue to strengthen identity management, which will help reduce overpayments and increase program integrity, resulting in administrative efficiency and financial rigour for the Government. Further, strengthened identity management, which would make use of different sources of identity and personal information to electronically validate a client's identity, will also facilitate electronic service delivery by providing for safer, more secure online services for Canadians. Continued implementation of Vital Event Linkage agreements with the provinces and territories on exchange of information regarding births and deaths will contribute to identity management in 2013–14.

Implementing the New Social Security Tribunal

Budget 2012 announced the establishment of the new Social Security Tribunal. Bill C-38, which received royal assent on June 29, 2012, amended the *Department of Human Resources and Skills Development Act* to establish the Social Security Tribunal. The Social Security Tribunal will begin operations on April 1, 2013, replacing the current four administrative tribunals for major federal social security programs (Employment Insurance, Old Age Security and the Canada Pension Plan) with a single-window decision body. The new Social Security Tribunal will continue to provide a fair, fast and acceptable appeals process for Canadians while eliminating duplication and overlap in administration.

In 2013–14, the Department will work to complete the transition from the current tribunals to the Social Security Tribunal. This will include managing any outstanding human resource, coordination and information management issues, as well as supporting the sun-setting of the existing tribunals. The Department will provide ongoing support to the Social Security Tribunal through enabling services in the areas of Governor-in-Council appointment support, human resources, information technology and financial management.

Internal Services – Activities Supporting All Strategic Outcomes

Internal Services
Support to achieving the strategic outcomes
Theme IV: Shrinking the Environmental Footprint – Beginning with Government
▸ Governance and Management Support
▸ Resource Management Services
▸ Asset Management Services

Program: Internal Services

Program Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Financial Resources (Planned Spending – $ millions)

Total Budgetary Expenditures (Main Estimates) 2013–14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
874.6	874.6	805.8	802.2

Human Resources (Full-Time Equivalents – FTEs)

2013–14	2014–15	2015–16
4,662	4,072	4,046

Planning Highlights

Building a High-Performing Organization

- **Enabling Services Renewal Program:** Modernizing the business of the Department entails a focus on business processes, transformation of services and management practices. With respect to business processes, the Enabling Services Renewal Program represents a large-scale transformation, involving the complete replacement of human resource and financial information technology systems, and associated redesign of human resources and financial business processes. HRSDC is entering the third year of this five-year project, the result of

which will be an improved employee experience, increased efficiencies and stewardship of departmental resources.

At this stage of the process, the focus is on replacing HRSDC's aging, custom-built corporate administrative systems that support enterprise resource planning with commercially available software—PeopleSoft for human resources and Systems, Applications and Products (SAP) for finance and materiel management. This transition will involve a gradual switch and migration of data to the new systems and be completed by the end of 2014–15. Business processes are being adapted in parallel to take advantage of the capabilities of the new systems and eliminate processes that are no longer required.

- **Advancing the Department's commitment to privacy renewal:** HRSDC will continue to modernize its privacy processes, policies and support functions to ensure that it continues to meet the highest standards for the protection of personal information. This includes the horizontal coordination and prioritization of Department-wide privacy and security initiatives; program-led privacy action plans; the modernization of Information Sharing Agreements and Public Interest Disclosure management; and the renewal of the Department's Privacy Policy suite, processes and tools. Privacy training and awareness will be strengthened to ensure that all employees understand their roles and responsibilities for the protection of personal information.
- **Implementing new service delivery model:** One focus of business transformation is the improvement of organizational structure and service flows. The elaboration of a departmental structural model and delivery of services for employees through iService, a "click, call, consult" model, are aspects of this improvement. The goal in implementation of the Service Management Structural Model is to standardize organizational design, further align the branch management structure, gain efficiencies in staffing and improve coordination of employee development initiatives designed to bridge gaps in skills and knowledge.
- **Strengthening internal communications and employee engagement:** To better inform and engage employees throughout the current transformation process, the Department will strengthen its internal communications. A more proactive approach to the management of portfolio internal communications will include support to Deputy Ministers and senior leaders in their efforts to communicate the Department's transformation agenda and greater engagement of partners at National Headquarters and in the regions to ensure coherent and coordinated communications.
- **Streamlining and improving the portfolio Web presence:** This exercise will ensure easier to find, better quality and more timely Web content for users. HRSDC will also consider how to restructure its Web management functions to improve editorial control of what goes online, and to make Web publishing and site management more efficient. These efforts will help prepare HRSDC for anticipated changes to how the overall Government of Canada online presence is managed.

- **Supporting employees and managing organizational changes:** Active management of human resources is vital to ensuring that the Department has a well-trained, motivated and enabled workforce. HRSDC is developing a three-year integrated people management strategy. In 2013–14, development will be completed and the Department will begin implementation of this strategy, which touches on working conditions that inspire employees to excel, healthy and enabling workplaces, developing a productive and skilled workforce, providing modern internal services that are efficient and relevant to clients as well as addressing workforce adjustment.
- **Implementing organizational Performance Management Framework:** In line with the Treasury Board Secretariat's new Directive on Performance Management, the Department will continue to engage employees in discussions of how to align individual performance with organizational performance goals. Through development of a performance management toolbox and awareness sessions for managers and employees, the Department continues to build a high-performance culture. In 2013–14, HRSDC will begin implementation of a common performance management template and a common reporting process with an emphasis on establishing clear expectations and performance measures for all employees.
- **Integrated Learning Management:** Implement national learning strategies that will support workplace effectiveness and performance management. This includes development of the implementation plan for the Integrated Learning Management System.
- **Advancing financial management:** HRSDC will continue to build capacity in investment, project and portfolio management as part of managing the Investment Plan. Medium- and longer-term re-investment in facilities across the country will be aligned to evolving requirements. The Department will also strengthen procurement, budgeting and financial forecasting principles and reporting practices. The standardization of accounting processes and services achieved through implementing the Treasury Board *Policy on Internal Controls* will also further strengthen the Departments financial controls.
- **Establishing a new National Accounting Operations structure:** A priority for this year is the move towards a national accounting operations structure where accounts payable and accounts receivable activities will be managed effectively and efficiently regardless of the region in which they originate. The workload for all accounting operations will be migrated to a nationally managed service in line with the implementation of Systems, Applications and Products (SAP).

- **Modernizing information technology service delivery:** HRSDC is an information technology-intensive organization and relies extensively on technology to deliver services to Canadians. Approximately 70 percent of the Department's IT budget is spent on maintaining the systems that support the delivery of large statutory programs such as Employment Insurance, Old Age Security, the Canada Pension Plan as well as grants and contributions. HRSDC intends to achieve savings through innovation, reducing the costs of maintaining these systems and migrating from an older mainframes system to a newer industry-standard "open systems" environment.
- **Further strengthening approaches to privacy management and information management:** HRSDC is moving to integrate information management in a more systematic way across the Department and modernize recordkeeping functions. All Departments are required to be in compliance with Treasury Board Secretariat's new *Directive on Recordkeeping* by 2015. As part of this process, Library and Archives Canada has returned a large number of paper documents to the Department for review. HRSDC will examine its existing paper file holdings to determine which records should be kept, archived electronically or destroyed if no longer required. The Department will also make more active use of new technologies to improve the sharing of knowledge and information internally, as well as make further improvements to information security, including the security of personal information. This will be carried out through an updated information technology security direction, mandatory employee training, ongoing risk assessments and implementation of new data loss prevention technologies.
- (g) **Contribute to the Federal Sustainable Development Strategy:** HRSDC is a participant in the Federal Sustainable Development Strategy and contributes to the Greening Government Operations targets through the internal services program. The Department contributes to the following target areas of Theme IV of the Federal Sustainable Development Strategy:
  - Greenhouse Gas Emissions
  - e-Waste
  - Printing Units
  - Paper Consumption
  - Green Meetings
  - Green Procurement

For additional details on the Department's Greening Government Operations activities, please see the HRSDC website at www.hrsdc.gc.ca/eng/publications/rpp/2013_2014/supplementary.shtml.

Section III: Supplementary Information

Financial Highlights

The future-oriented financial highlights presented within this section are intended to serve as a general overview of HRSDC's financial operations. These future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

HRSDC is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to HRSDC do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items forecasted in the future-oriented consolidated financial statements are not necessarily the same as those forecasted through authorities from Parliament. A reconciliation between forecast authorities available (based on Report on Plans and Priorities forecast/planned spending amounts) and the forecast net cost of operations is set out in Note 5 of HRSDC's future-oriented consolidated financial statements.

For the purposes of the future-oriented consolidated financial statements, the financial activities of the Canada Pension Plan are not part of HRSDC's reporting entity as the Canada Pension Plan is under joint control of the federal and the participating provincial and territorial governments.

A condensed view of the future-oriented consolidated financial statements is presented below.

Future-Oriented Condensed Consolidated Statement of Operations and Departmental Net Financial Position

For the Year (ended March 31)
($ millions)

	$ Change	Estimated Results 2013	Planned Results 2014
Total expenses	2,883.7	68,537.3	71,421.0
Total revenues	1,571.1	21,278.5	22,849.6
Net cost of operations before government funding and transfers	**1,312.6**	**47,258.8**	**48,571.4**
Government funding and transfers	1,038.5	48,097.6	49,136.1
Departmental net financial position – beginning of year	838.8	12,216.8	13,055.6
Departmental net financial position	**564.7**	**13,055.6**	**13,620.3**

The increase of $1,312.6 million in the 2014 planned results for the Net cost of operations before government funding and transfers, when compared to the 2013 estimated results, is mainly attributable to:

- an increase of $2,256.3 million in the Income Security expenses due to the projected increase in the eligible population of the Old Age Security and Guaranteed Income Supplement benefits;
- an increase of $901.6 million in the Skills and Employment expenses due to: the projected increase in the Employment Insurance average benefit rate, and the overall increase in the number of beneficiaries as a result of the expected labour-force growth; and
- an increase of $1,850.8 million in the Employment Insurance revenues mainly caused by the projected increases in the premium rate and in the amount of the maximum insurable earnings.

Future-Oriented Condensed Consolidated Statement of Financial Position
For the Year (ended March 31)
($ millions)

	$ Change	Estimated Results 2013	Planned Results 2014
Total net financial assets	967.4	15,270.5	16,237.9
Total net liabilities	418.7	2,467.4	2,886.1
Departmental net financial asset	**548.7**	**12,803.1**	**13,351.8**
Total non-financial assets	16.0	252.5	268.5
Departmental net financial position	**564.7**	**13,055.6**	**13,620.3**

The increase of $564.7 million in the 2014 planned results - the Departmental net financial position, when compared to the 2013 estimated results, is mainly attributable to:

- an increase of $584.2 million in the amount Due from the Consolidated Revenue Fund as a result of timing differences at year-end between when a transaction affects authorities and when it is processed through the Consolidated Revenue Fund (For example, the payables at year-end are included in the amount Due from Consolidated Revenue Fund. The authority is affected during the year the payables at year-end are recorded. The cash will be affected during the following year, i.e. when the payables at year-end will be paid);
- an increase of $463.2 million in the Canada Student Loans net balance caused by an excess of new loans disbursed over the total amount of repayments;

- an increase of $194.5 million in the Accounts receivable and advances mainly due to the increase in the Employment Insurance premiums receivable caused by the projected increases in the premium rate and in the amount of the maximum insurable earnings; and
- these increases are partially offset by a variation of $700.2 million in the amount due to the Canada Pension Plan caused by the timing of the year-end transfers to the Canada Pension Plan Investment Board.

Future-Oriented Financial Statements

Complete future-oriented consolidated financial statements are available online at www.hrsdc.gc.ca/eng/publications/rpp/2013_2014/consolidated.shtml.

List of Supplementary Information Tables

All electronic supplementary information tables listed in the *2013–14 Report on Plans and Priorities* can be found on HRSDC's website at www.hrsdc.gc.ca/eng/publications/rpp/2013_2014/supplementary.shtml:

- Details on Transfer Payment Programs;
- Greening Government Operations;
- Horizontal Initiatives;
- Sources of Respendable and Non-Respendable Revenue; and
- Upcoming Internal Audits and Evaluations over the next three fiscal years.

Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication, which is available at www.fin.gc.ca/purl/taxexp-eng.asp. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Specified Purpose Accounts

Specified Purpose Accounts consist of special categories of revenues and expenditures. They report transactions of certain accounts where enabling legislation requires that revenues be earmarked and that related payments and expenditures be charged against such revenues. The transactions of these accounts are to be accounted for separately.

HRSDC is responsible for the stewardship of five such accounts:

- the Employment Insurance Operating Account;
- the Canada Pension Plan;
- the Government Annuities Account;
- the Civil Service Insurance Fund; and
- the Canadian Millennium Scholarship Foundation Excellence Awards Fund.

Employment Insurance Operating Account

The Employment Insurance Operating Account was established to record all amounts received or paid out under the *Employment Insurance Act* since January 1, 2009. The previous Employment Insurance Account was closed and removed from the Accounts of Canada as of December 31, 2008. The Employment Insurance program provides financial support and other assistance to eligible workers. The Employment Insurance program is financed entirely by contributions from employees and employers, via premiums paid on insured earnings up to the maximum insurable earnings.

Employment Insurance benefits are divided into:

- **Income Benefits** under Part I of the *Employment Insurance Act*, which provide financial assistance to unemployed Canadians who have lost their job through no fault of their own, while they look for work or upgrade their skills. Employment Insurance Part I also provides assistance to Canadians who are sick, pregnant, caring for a newborn or adopted child as well as parents caring for a child with a critical illness or those caring for a family member who is seriously ill with a significant risk of death.
- **Employment Benefits** under Part II of the *Employment Insurance Act*, which help Canadians to prepare for, find and maintain employment. These activities include Employment Benefits and Support Measures delivered under the Labour Market Development Agreements, pan-Canadian programming and functions of the National Employment Service.

Benefits and administrative costs are paid out of the Consolidated Revenue Fund and charged to the Employment Insurance Operating Account.

Financial Summary

As the cumulative balance in the Employment Insurance Operating Account remains in deficit following the economic downturn, higher premium rates are expected to result in revenues exceeding expenditures by $2.2 billion in 2013–14.

The employee Employment Insurance premium rate for 2013 increased by the maximum legislative limit of 5 cents to $1.88 per $100 of insurable earnings. Given this premium rate and an increase in maximum insurable earnings, from $45,900 to $47,400, insured workers will pay up to a maximum annual Employment Insurance premium in 2013 of $891.12, compared with $839.97 in 2012.

As announced in Budget 2012, once the Employment Insurance Operating Account is balanced, premium rates will be set annually based on the projected seven-year break-even rate to ensure Employment Insurance revenues and expenditures balance at the end of this period, providing greater predictability and stability.

The table below summarizes the Employment Insurance revenues and expenditures from 2010–11 financial results to 2013–14.

EIO Account – Revenues and Expenditures Summary

	Actual		Forecast	Planned Spending
($ millions)	2010-2011	2011-2012	2012-2013	2013-2014
Expenditures				
EI Benefits				
Income Benefits	17,245	15,566	15,674	**16,607**
EBSM	2,605	2,082	2,117	**2,075**
Total EI Benefits	19,850	17,648	17,791	**18,682**
Administrative Costs	1,916	1,907	1,778	**1,649**
Doubtful Accounts	42	123	52	**55**
Sub-Total	21,808	19,677	19,621	**20,385**
Revenues				
Premium Revenue[a]	17,862	18,938	20,615	**22,451**
Penalties	46	50	56	**59**
Interest	11	21	21	**33**
Funding for Budget 2009 Measures[b]	1,428	118	(11)	
Sub-Total	19,347	19,127	20,681	**22,543**
Annual Surplus (Deficit)	(2,462)	(551)	1,060	**2,158**
Cumulative Surplus (Deficit)	(7,397)	(7,948)	(6,888)	**(4,730)**

a. The Employment Insurance premiums reported in the summary financial statements of the Government of Canada and the Federal Budget exclude the premium contributions made by the Government of Canada as an employer. Includes the small business hiring credit for 2011 and 2012.

b. Employment Insurance expenditures associated with the enhanced Employment Insurance measures and training announced in *Canada's Economic Action Plan* in Budget 2009 are recovered from the Consolidated Revenue Fund.

Note: Totals may not add due to rounding.

Benefit Payments

Total benefits paid in 2013–14 are expected to reach $18.7 billion, consisting of $16.6 billion for Income Benefits and $2.1 billion for Employment Benefits and Support Measures.

Income Benefits

Through *Economic Action Plan 2012*, the Government has introduced a number of improvements to the Employment Insurance program so that it remains fair, flexible and helps Canadians find work.

A new national three-year Working While on Claim pilot project came into effect on August 5, 2012. Under the new Working While on Claim pilot project, eligible claimants are able to keep Employment Insurance benefits equalling 50 percent of every dollar earned while on claim, up to 90 percent of the weekly insurable earnings used to calculate the Employment Insurance benefit amount. To assist claimants in transitioning to the new Working While on Claim pilot project rules, the Government amended the new Working While on Claim pilot project so that Employment Insurance claimants who were on claim and had earnings between August 7, 2011, and August 4, 2012, are able to elect to revert to the previous Working While on Claim pilot project rules. Under the previous pilot project, if claimants earned less than $75 or 40 percent of their weekly benefits, whichever was greater, their Employment Insurance benefits were not reduced; however, any earnings above that exemption threshold reduced their benefits dollar for dollar. This amendment applies retrospectively to August 5, 2012.

The Connecting Canadians with Available Jobs initiative includes several new measures that will provide Employment Insurance claimants with additional supports while they actively search for work. Part of this initiative includes defining what constitutes "reasonable job search" and "suitable employment" for individuals receiving regular and fishing benefits, which came into effect January 6, 2013. Through Connecting Canadians with Available Jobs, the Government is also making significant investments to enhance its Job Alerts system to provide Employment Insurance claimants with better labour market information, including comprehensive job postings on a daily basis.

The Government has also introduced a new, permanent and legislated approach to the way Employment Insurance benefits are calculated. Effective April 7, 2013, most Employment Insurance claimants will have their Employment Insurance benefit amounts calculated based on the highest weeks of insurable earnings during the qualifying period—generally 52 weeks. The number of weeks used for calculating benefit rates will range from 14 to 22, depending on the unemployment rate in a claimant's Employment Insurance economic region. While the new national approach is being implemented, the current Best 14 Weeks pilot project, set to have

expired June 24, 2012, has been extended in the same 25 Employment Insurance economic regions until April 6, 2013.

Starting in June 2013, parents of critically ill children will have access to the new Employment Insurance Parents of Critically Ill Children benefit that will provide up to 35 weeks of temporary income support to eligible parents within a 52-week period. This new Employment Insurance benefit may be shared between parents and will be available to both insured workers and self-employed persons who have opted into the Employment Insurance program.

EI Income Benefits – Expenditures

	Actual		Forecast	Planned Spending
($ millions)	2010–11	2011–12	2012–13	2013–14
Income Benefits				
Regular	12,959	11,221	11,036	**11,750**
Sickness	1,051	1,107	1,183	**1,233**
Maternity	911	937	996	**1,035**
Parental	2,170	2,216	2,340	**2,428**
Compassionate Care	11	11	12	**12**
Critically Ill Child				**50**
Self-Employment	1	6	8	**12**
Fishing	254	266	276	**281**
Work Sharing	108	34	28	**25**
Benefit Repayments	(220)	(231)	(204)	**(218)**
Total Income Benefits	17,245	15,566	15,674	**16,607**

Note: Totals may not add due to rounding.

Canada Pension Plan

The Canada Pension Plan is an income security plan which is funded by the contributions of employees, employers and self-employed persons and by the revenue earned on Plan investments. It provides coverage to virtually all employed and self-employed persons in Canada, excluding Quebec which operates its own comprehensive pension plan, the Quebec Pension Plan. The Government of Canada and the provincial governments share the stewardship of the Canada Pension Plan.

The Canada Pension Plan provides for a partial income protection in the case of the retirement, disability or death of a contributor. While the Canada Pension Plan primarily provides retirement pensions, it also provides a Post-Retirement Benefit for working beneficiaries, survivor pensions, benefits for dependent children of deceased contributors, disability pensions, benefits for the dependent children of disabled contributors as well as a one-time death benefit. Benefits are

calculated based on how much and for how long a contributor has paid into the Canada Pension Plan. Benefits are not paid automatically—everyone must apply.

Canada Pension Plan (CPP) - Summary

	Actual		Forecast	Planned Spending
($ millions)	2010–11	2011–12	2012–13	2013–14
Revenue				
Contributions [a]	37,069	38,925	41,087	42,914
Investment Income				
Canada Pension Plan [b]	2	2	3	3
CPP Investment Board [c]	15,558	9,936	8,607	9,300
Total Investment Income	15,560	9,938	8,609	9,302
Total Revenue	**52,629**	**48,863**	**49,696**	**52,216**
Expenditures				
Benefit payments [d]	31,598	33,288	35,446	37,698
Administrative expenses	850	1,180	1,084	1,025
Total Expenditures	**32,448**	**34,468**	**36,530**	**38,723**
Increase	20,181	14,395	13,166	13,493
Year-end balances	**151,601**	**165,996**	**179,162**	**192,656**

Notes:

(a) Source of Contributions Forecast 2012 through 2014 is from the Actuarial Monthly Report (July 2012) from the Office of the Superintendent of Financial Institutions Canada.

(b) The Canada Pension Plan investment income only includes the interest earned on the daily operating balance.

(c) Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The forecast is based on 25th Actuarial Report of the Canada Pension Plan from the Office of the Superintendent of Financial Institutions Canada.

(d) Source of Benefit payments Forecast 2012 through 2014 is from the Actuarial Monthly Report (July 2012) from the Office of the Superintendent of Financial Institutions Canada.

Note: Totals may not add due to rounding.

Government Annuities Account

This account was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit charged or surplus credited to the Consolidated Revenue Fund.

The purpose of the *Government Annuities Act* was to assist Canadians in providing for their later years through the purchase of government annuities. The *Government Annuities Improvement Act* increased the rate of return and flexibility of government annuity contracts.

Income consists of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously untraceable annuitants, earned interest and any transfer needed to cover the actuarial deficit. Payments and other charges represent matured annuities, the commuted value of death benefits, premium refunds and withdrawals and unclaimed annuities transferred to non-tax revenues. The amounts of unclaimed annuities related to untraceable annuitants are transferred to non-tax revenues.

As of March 31, 2012, there were 762 outstanding deferred annuities, the last of which will come into payment around 2030.

Government Annuities Account - Statement of Operations and Actuarial Present Value of Accrued Benefits

	Actual		Forecast	Planned Spending
($ millions)	2010–11	2011–12	2012–13	2013–14
Actuarial present value of accrued benefits – Balance at beginning of year	**243.5**	**221.3**	**201.6**	**183.0**
Income	15.8	14.4	13.1	11.8
Payments and other charges	35.8	33.0	31.1	29.3
Excess of Payments and other charges over income for the year	20.0	18.6	18.0	17.5
Actuarial Surplus	2.2	1.1	0.6	0.3
Actuarial present value of accrued benefits – Balance at year-end	**221.3**	**201.6**	**183.0**	**165.2**

Civil Service Insurance Fund

This account was established by the *Civil Service Insurance Act*, under which the Minister of Finance could contract with permanent employees in the public service for the payment of certain death benefits. No new contracts have been entered into since 1954 when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act* and the *Canadian Forces Superannuation Act*, respectively. As of April 1997, the Department of Human Resources and Skills Development assumed the responsibility for the administration and the actuarial valuation of the *Civil Service Insurance Act*.

The number of policies in force as of March 31, 2012, was 881 and the average age of the policy holders was 90.9 years. Income and other credits consist of premiums and an amount (charged to expenditures) which is transferred from the Consolidated Revenue Fund in order to balance the assets and actuarial liabilities of the program. Payments and other charges consist of death benefits, settlement annuities paid to beneficiaries and premium refunds.

Pursuant to subsection 16(3) of the *Civil Service Insurance Regulations*, any deficit will be credited to the Account from the Consolidated Revenue Fund.

Civil Service Insurance Fund - Statement of Operations and Balance

	Actual		Forecast	Planned Spending
($ millions)	2010–11	2011–12	2012–13	2013–14
Opening Balance	**5.5**	**5.2**	**5.0**	**4.8**
Income and other credits	-	-	-	-
Payments and other charges	0.3	0.2	0.2	0.2
Excess of payments and other charges over income for the year	0.3	0.2	0.2	0.2
Closing Balance	**5.2**	**5.0**	**4.8**	**4.6**

Canadian Millennium Scholarship Foundation Excellence Awards Fund

In accordance with *Budget Implementation Act 2008*, the Canada Millennium Scholarship Foundation is ending after its 10-year mandate. This Specified Purpose Account was established by way of an agreement between the Canada Millennium Scholarship Foundation and HRSDC in order for HRSDC to administer the remaining Excellence Awards payments to eligible students upon the dissolution of the Canada Millennium Scholarship Foundation. The transfer of funds also includes the costs of administering this program on behalf of the Canada Millennium Scholarship Foundation.

HRSDC continues to administer the remaining Excellence Awards disbursements from January 1, 2010, until December 31, 2013. After this date, HRSDC will transfer any funds remaining in the account to the Consolidated Revenue Fund.

Canadian Millennium Scholarship Foundation Excellence Awards Fund - Statement of Operations and Balance				
	Actual		Forecast	Planned Spending
($ millions)	2010–11	2011–12	2012–13	2013–14
Opening Balance	**14.4**	**7.3**	**3.2**	**0.8**
Income and other credits	-	-	-	-
Payments and other charges	7.1	4.1	2.4	0.8
Excess of payments and other charges over income for the year	7.1	4.1	2.4	0.8
Closing Balance	**7.3**	**3.2**	**0.8**	**0.0**

Statutory Annual Reports

Employment Insurance Part II

Part II of the *Employment Insurance Act* commits the federal government to work in concert with provinces and territories to put in place Employment Benefits and Support Measures or similar programs and services to help unemployed Canadians integrate into the labour market.

Employment Benefits and Support Measures are delivered through transfer Labour Market Development Agreements between Canada and the provinces and territories. Provinces and territories determine the mix of employment programming required to meet their local and regional labour market needs.

Employment Benefits and Support Measures comprise five employment benefit programs (Skills Development, Targeted Wage Subsidies, Self-Employment, Job Creation Partnerships and Targeted Earnings Supplements) and three support measures (Employment Services, Labour Market Partnerships and Research and Innovation).

More detailed information on Employment Insurance Part II is available at www.servicecanada.gc.ca.

Financial Data

For 2013–14, the base Employment Insurance Part II expenditure authority of $2.101 billion represents 0.4 percent of total estimated insurable earnings of $539.4 billion. This represents a lower level of expenditures than the 0.8 percent ceiling imposed under the *Employment Insurance Act*, which is estimated at $4.315 billion in 2013–14. The amount of re-investment reached maturity at $800 million in 2000–01.

2013–14 EMPLOYMENT INSURANCE PLAN

($ millions)	Base [a]	Re-Investment [a]	Total Plan [a]
Newfoundland and Labrador	56.0	73.1	129.1
Nova Scotia	48.3	30.3	78.6
New Brunswick	47.6	42.1	89.7
Prince Edward Island	16.3	10.0	26.3
Quebec	333.2	248.1	581.3
Ontario	381.7	184.1	565.8
Manitoba	33.2	10.2	43.4
Saskatchewan	26.5	9.9	36.4
Alberta	73.2	35.9	109.1
Northwest Territories	1.6	1.6	3.2
Nunavut	1.9	1.0	2.9
British Columbia	129.0	151.7	280.7
Yukon	1.5	2.0	3.5
	1,150.0	800.0	1,950.0
Pan-Canadian Responsibilities [b]	124.6	0.0	124.6
Funds available for Employment Benefits and Support Measures	1,274.6	800.0	2,074.6

[a] Totals may not add due to rounding.
[b] Funds earmarked for pan-Canadian priorities, such as Aboriginal programming, sectoral and innovations projects.

Organizational Contact Information

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